

## Coins

# A bargain-basement sale looms for a silver surplus

By Roger Boye

ABOUT FOUR years ago, the federal government tried to sell approximately 2.9 million silver dollars in a series of sales that was highly publicized and, in retrospect, somewhat deceptively promoted.

But in spite of all the government effort, almost a million of the coins weren't sold and had to be put back into storage. The coins, which were discovered during a housecleaning of the United States vaults in the 1960s, were minted in the 19th Century, most at Carson City, Nev.

Now the General Services Administration (GSA), which had been authorized by Congress to conduct the sale, wants to unload the remaining silver dollars at what amounts to bargain-basement prices. To do that, the GSA must get authorization from Congress, and a congressional committee is scheduled to hold hearings on the matter later this year.

In that earlier sale, collectors purchased the dollars by submitting bids, and most of the coins sold for the minimum bid. For example, the uncirculated 1882, 1883, and 1884 Carson City dollars sold for \$30, the minimum bid.

In its promotional literature, the GSA claimed that the silver dollars would be "excellent for investments" and that the value "is high since the demand is great."

That seemed overstated at the time, and has since proved to be nonsense. Obviously, the demand wasn't

that great (nearly one million dollars didn't sell), and the coins haven't even been a "fair investment." For example, most dealers would be lucky to sell uncirculated 1882, 1883, or 1884 Carson City dollars for much more than \$30. Collectors who purchased those coins from the GSA and now sell them to a dealer would likely take a loss.

Moreover, a new government sale, if successful, would put many more Carson City dollars on the market and lower prices even more. A GSA administrator has said that if there is another sale, the GSA could sell 1883 and 1884 Carson City dollars for as low as \$15. Needless to say, that would rankle the many thousands of collectors who purchased dollars from the government four years ago, believing Uncle Sam meant what he said about "excellent for investments."

Of course, the GSA tactics have been criticized by several dealers. One leading New York dealer has been quoted as saying the GSA sales methods were "huckster advertising . . . if we were to say 'good investment' in our ads, the Securities and Exchange Commission would crawl all over us with hobnail boots." He added that the use of "investment" added false value to the coins.

One footnote: The GSA put all 2.9 million dollars in holders that included an insipid message from then President Richard M. Nixon. A GSA official was quoted recently as saying, "Because of the Nixon connection, maybe they (the unsold coins that are still in the holders) will go over big as a Nixon souvenir."